(d) Reserves cannot be attributed directly to any one component of inflows. However, portfolio investment is potentially mobile and can therefore put a strain on reserves. Actual inflows and outflows depend on many factors, including, especially, perceptions regarding the macroeconomic fundamentals of the economy and confidence in economic management. The cumulative portfolio investment during the last four years, however, constitute less than 30 per cent of gross foreign exchange reserves, which provides ample cushion against possible outflows.

Pre-payment of Annual

246. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) what is the quantum of external debt and the percentage of commercial borrowing components therein;

(b) whether it shall be possible to continue pre-payment of annual debt service charges to IMF as has been done earlier; and

(c) whether there has been a reduction in growth rate of external debt during 1991-93 as compared to later eighties?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (M. V. CHANDRASHEKHAR MURTHY): (a) The total external debt outstanding including defence debt, NRI Deposits and short term debt is estimated to be US $ 90.723 billion at the end of March, 1994. The percentage of commercial borrowing components therein works out to approximately 12.70%.

(b) The Government will take a final view on the matter at the appropriate time based on our balance of payments position and the foreign exchange reserves.

(c) Yes, Sir.

Malhotra Committee Recommendation

247. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a few Australian firms have evinced keen interest in entering into Indian General Insurance market;

(b) what is the status of implementation of Malhotra Committee recommendations of restructuring the insurance industry as on date; and

(c) what are the compulsions/reservations on Government going slow on Malhotra Committee Report even after other core sectors have been thrown open to overseas investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) After the Malhotra Committee submitted its report on reforms in the insurance sector, representatives of some Australian Insurance Companies visited our country.

The recommendations of the Malhotra Committee are under consideration.

Restructuring the capital bases of Nationalised Banks

248. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government have proposed to restructure the capital bases of some nationalised banks with foreign funds provided by the World Bank and other agencies;

(b) whether Government have made out scheme for restructuring of the capital base of some of these banks only and not provided to others; and

(c) if so, the facts and reasons thereof?